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PRESS RELEASE

** For Immediate Release - January 13, 2015**

SUNSET BEACH, N.C. – The January 9th statement issued by Nita Hill of the Coastal Communities contains a number of factual inaccuracies.

First, the Town will not release the bond for Section 1 because Coastal Communities has not completed all of the work covered by the bond. Until it does so, the bond will remain in place and/or the Town will take action on the bond.

Second, despite repeated requests to continue bargaining regarding Section 2, Coastal Communities has refused to meet. Specifically, by email on December 18, 2014, the Town's representatives emailed Coastal Communities' representative, Becky Noble (after not receiving a return call from the day before), to arrange a meeting to discuss Section 2C. By email four days later on December 22nd, Ms. Noble sent an email to the Town stating, in part, "it is impossible to discuss Section 2" (allegedly because of the disagreement still pending over Section 1) and that "instead of bulldozers pushing dirt in Section 2, the lawyers will be pushing paper. If the Town has not reconsidered its position to not release the bond, the lawyers must now determine the next step." See attached email thread.

Notwithstanding these statements, the Town sent another email to Ms. Noble on December 30th requesting a meeting with Coastal Communities to discuss Section 2 in hopes of resolution. The following day, Ms. Noble responded that, "further conversation about Section 2 [was] futile." See attached email thread.

Third, the only items the Town is holding Coastal Communities to are those things delineated in the bonds and/or addressed in the parties' various improvements agreements. The developer has correctly completed the vast majority of bonded items but refuses to address the items not completed. Unlike the bonds for Section 2 and beyond, the bond for Section 1 requires that <u>all</u> work be done before it is released. There can be no "partial" release of the Section 1 bond.

Fourth, Ms. Hill stated that Coastal Communities "looks forward to the continuing negotiation process with a trained mediator," and that it is "hopeful . . . the Town will participate in the mediation," regarding Section 2. This statement is clearly incongruent with Ms. Noble's emails of December 22nd and 31st. The Town will continue to pursue a satisfactory resolution on behalf of its citizens and interests.

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